



**Testimony in Support of LD 597 – An Act to Direct the Public Utilities Commission to Conduct Procurements for Energy or Renewable Energy Credits**

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Senator Lawrence, Representative Sachs, and distinguished members of the Energy Utilities and Technology Committee. My name is Nick Sampson and I'm a Senior Project Manager at Maine based Dirigo Solar. Thank you for the opportunity to speak on this important legislation, which we enthusiastically endorse.

By way of background and for the benefit of newer members of the committee Dirigo has developed both community and what we call “utility scale” projects. Dirigo was founded ten ago when the Public Utilities Commission, during the Lepage Administration, awarded us a 20 year contract for 100 megawatts of solar at the historically low price of 3.4 cents per kWh. Those projects have generated millions of dollars a year in ratepayer savings.

As a number of you are aware, Dirigo Solar has been a strong proponent of competitive utility scale procurements for energy. In 2021, Bob Cleaves, co-founder of Dirigo, was appointed by Governor Mills to a task force to study changes in the net energy billing laws and to explore alternative programs that could be implemented in a way that would result in ratepayer savings while also decarbonizing the grid. Through that task force we joined Central Maine Power, Versant, the OPA and the Industrial Energy Consumers Group in calling for grid scale competitive procurements as a means of unleashing the cost-effective nature of solar that would reduce ratepayer costs while meeting decarbonization goals.

In 2020 and again in 2021, the Public Utilities Commission undertook two significant procurements. Those procurement efforts resulted in contract awards to 19 solar projects including two projects that Dirigo Solar had proposed. Unfortunately, as a result of the COVID epidemic and unforeseen interest rate and supply chain costs, no project was ever built using the PUC contracts and most of the contracts were terminated.

LD 1591 enacted into law in 2023, was intended to preserve the ratepayer benefits of these terminated projects by (1) directing the Public Utilities Commission to conduct a new solicitation for the megawatts that were not built from the prior solicitations and (2) creating an innovative procurement policy focused on cost effective solar through the redevelopment of land contaminated with PFAS. Significantly, the legislation won the unanimous support of this committee and was enacted by the House and Senate without a single dissenting vote.

The legislation before you today is meant to address a drafting problem in LD 1591 as outlined by Chair Bartlett in his letter to the Committee on April 4, 2025. When the PUC commenced its procurement in November of last year, it successfully drew significant participation by energy investors. On April 1 of this year, however, the Commission announced that no contracts could be awarded because of confusion regarding the Commission's interpretation of the law in terms of how projects could be bid. The Commission interpreted LD 1591 to permit separate bids for power and renewable energy credits, while we assumed only bundled bids were allowed. Further, the Commission clearly struggled with the requirement that the renewable energy credits be assigned to the standard offer provider and retired. This resulted in the Commission being unable to make a determination of ratepayer benefit. Finally, the Commission strained to include what it describes as "non-quantifiable" benefits.

The purpose of the legislation before you today is meant to correct the problems with existing law as outlined by Chair Bartlett while assuring rate-payer benefits through cost containment. We remain confident that grid scale competitive procurements offer Maine ratepayers the single most important means of reducing energy costs. To achieve that goal, however, will require these essential drafting changes. We are hopeful that this legislation will receive the same level of bipartisan unanimous support that the original legislation enjoyed two years ago and I welcome any questions from the committee.